



DOCKET 04-IEP-1G	
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July 14, 2005

California Energy Commission Dockets Unit
Attn: Docket No. 04-IEP-1G
1516 Ninth Street MS-4
Sacramento, CA 95814-5512

**Re: 2005 Energy Report: Comments on Electricity Environmental
Performance Report Workshop – Docket 04-IEP-1G**

Dear California Energy Commission:

Reliant Energy submits the following comments on the above-captioned workshop relative to the staff report "Issues and Environmental Impacts Associated with Once-Through Cooling at California's Coastal Power Plants".

Reliant Energy owns and operates two coastal electric generating stations in California, both located in Ventura County. These stations, Ormond Beach and Mandalay, are capable of providing over 2,000 megawatts of reliable electrical energy to southern California. Ormond Beach utilizes an offshore intake fitted with a velocity cap structure, while Mandalay draws water from a 3-mile long canal originating at the Oxnard Harbor.

The staff report and the staff presentation at the June 28, 2005 workshop portray the environmental impacts of once-through cooling as an issue that is not being adequately addressed and requires CEC action. The staff report does note that California's coastal waters are being impacted by such activities as over-harvesting, discharge of toxins and plastic wastes, nutrient runoff, and increased shipping, none of which are caused by once-through cooling at power plants. The report however, does not portray power plant once-through cooling systems in a complete perspective.

The report is critical of previous studies of fish impingement and entrainment in once-through cooling systems because the studies were conducted some time ago, did not use assessment methods available today or were not standardized. The report does not adequately recognize the level of assessment that is required by EPA's Phase II 316(b) regulations that California's coastal power plants are currently addressing. These regulations will require a thorough, state-of-the-art assessment of impingement and entrainment impacts and establish impact reduction levels. The nature and physical

layout of the cooling systems, the operations of the facilities, the local source waters and any environmental impacts are very site specific and the EPA's regulations reflect that fact. The staff report's broad generalization of inadequate studies and excessive environmental harm at all once-through systems is not justified. The EPA regulations appropriately recognize the potential costs, benefits and physical limitations associated with installing alternative cooling systems and mitigation methods so it is quite possible that an existing once-through cooling system is the best overall alternative for a specific site.

Furthermore, the fact that a set of data was collected some time in the past or was applied using earlier methods does not automatically render the data inaccurate or void of value or applicability. The data needs to be considered in the context of its use. Such data may be useful in establishing trends. Nevertheless, the EPA regulations will require a current assessment of impingement and entrainment impacts.

The lack of a single agency with regulatory authority over all power plant once-through cooling systems is cited as a factor complicating the review of environmental impacts. How does this circumstance differ from that associated with any other environmental issue in California? The environmental impacts of virtually any action requiring regulatory approval in California are typically assessed by a lead agency that coordinates the review by other federal, State and local agencies having any jurisdiction related to the proposed action. Once-through cooling of power plants is not a unique issue requiring an extraordinary regulatory approach.

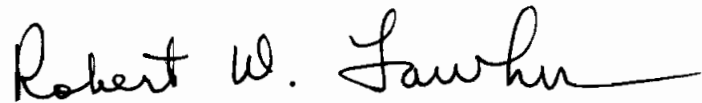
On the other hand, the California State Water Resources Control Board, working through the Regional Water Quality Control Boards, has the lead jurisdiction over the implementation of the Clean Water Act 316(b) regulations at all California power plants. The owners and operators of the power plants utilizing once-through cooling in southern California have, for nearly two years, participated in a stakeholder group led by the Los Angeles Regional Water Quality Control Board to implement the EPA's new 316(b) regulations. Environmental organizations and regulatory agencies, including the CEC staff, are participating and progress is being made. We recommend the CEC continue to coordinate its efforts with the State Board as it would with any other issue for which the Board has lead jurisdiction.

At the June 28 workshop, the past successes and potential benefits of habitat restoration were noted. Habitat restoration has been shown to be a cost-effective means to mitigate impacts to coastal areas and to enhance the ecological and water quality benefits of such areas. Reliant Energy urges the Commission to continue to recognize the value of restoration in its policy development and regulatory decisions and to promote its consideration wherever appropriate.

Reliant Energy appreciates the opportunity to participate in this review of the effects of once-through cooling systems. We urge the Commission to review this issue in the context of the California's total energy needs, to recognize the ongoing and future efforts

to address the issue and to continue to work with other agencies within the current regulatory framework.

Sincerely,

A handwritten signature in black ink that reads "Robert W. Lawhn". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Robert W. Lawhn
Environmental Director

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